



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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North Carolina Resident Sentenced to Prison for Tax Fraud

A Charlotte, North Carolina, area resident was sentenced to 41 months in prison today for his involvement in a fraudulent tax return scheme, announced Acting Assistant Attorney General Caroline D. Ciraolo of the Justice Department's Tax Division and U.S. Attorney Jill Westmoreland Rose of the Western District of North Carolina.

According to court documents and statements in court, in early 2011, Daniel Heggins, 44, and Joan Clark operated Guarantor Manufactures Inc. (GMI), a business that purported to help individuals who were in debt. Heggins and his co-conspirators, including Clark, prepared and filed false tax returns on behalf of GMI's clients claiming fraudulent tax refunds from the Internal Revenue Service (IRS) in the amount of their clients' debts. The intended loss of the conspiracy exceeded \$4 million. Heggins also charged GMI's clients bogus filing fees of \$2,500 to \$5,000 in order to prepare and file the fraudulent returns. Heggins and Clark pleaded guilty to conspiracy to defraud the United States in November 2015.

"While taxpayers are ultimately responsible for the information reported on their returns, they also are entitled to honest and accurate assistance from those paid to prepare their returns," said Acting Assistant Attorney General Ciraolo. "Heggins and Clark took advantage of clients seeking such assistance, and used their fraudulent scheme to line their own pockets. The department will continue to work with our partners in the Internal Revenue Service to investigate, prosecute and incarcerate such individuals for their criminal conduct, and seek restitution for the victims."

"As we are in the midst of the annual tax season, it is important for consumers to be cognizant of fraudsters who charge exorbitant fees to prepare tax returns and engage in the submission of fraudulent tax returns," said U.S. Attorney Rose. "Taxpayers are urged to be wary of using tax return preparation businesses which make unusual or extreme promises and to exercise caution when selecting a tax preparation service."

"During filing season, I'd like to encourage the taxpayers to heed the old warning, 'Buyer beware,'" said Special Agent in Charge Thomas J. Holloman III of IRS Criminal Investigation Division (IRS-CI), Charlotte Field Office. "Heggins and Clark perpetrated a

scheme in which they offered assistance to clients and then victimized them, through their crimes. While the methods utilized by criminals may change, the constant is that we will be there to make sure they are brought to justice.”

In addition to the prison term, U.S. District Judge District Max O. Cogburn Jr. ordered Heggins to serve three years of supervised release and pay \$24,325 in restitution to victims of the fraud, which included former clients and the IRS. Clark was sentenced in February to 20 months in prison for her involvement in the fraudulent refund scheme and for a separate scheme in which she filed fraudulent tax returns in the name of trusts.

Acting Assistant Attorney General Ciruolo and U.S. Attorney Rose commended special agents of IRS-Criminal Investigation and the FBI, who investigated the case and Assistant U.S. Attorney Mike Savage of the Western District of North Carolina and Trial Attorney Todd Kostyshak of the Tax Division, who prosecuted the case.

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